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Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 IO-10

/067 W
---------- 095469
R 041710Z SEP 75
FM AMEMBASSY MANAGUA
TO SECSTATE WASHDC 7906

C O N F I D E N T I A L MANAGUA 3463

EO 11652: GDS
TAGS: EFIN NU
SUBJ: RESIGNATION OF INFONAC PRESIDENT NOEL PALLAIS DEBAYLE

1. NOEL PALLAIS DEBAYLE RESIGNED (PROBABLY FIRED) AS PRESIDENT OF THE STATE DEVELOPMENT BANK OF NICARAGUA (INFONAC) ON SEPTEMBER 2 BLAMING PERSONAL ATTACKS ON HIMSELF AND HIS FAMILY FOR THIS DECISION. IN A RESIGNATION STATEMENT HE REVEALED THE NATURE OF SOME OF THESE ATTACKS BY DENYING THAT HE ENRICHED HIMSELF IN OFFICE, THAT HE IS A DRUG ADDICT, AND THAT HIS SONS HAD PARTICIPATED IN THE GUERILLA MOVEMENT.

2. COMMENT: PALLAIS IS A FIRST COUSIN OF PRESIDENT SOMOZA AND HAS BEEN CONSIDERED BY CRITICS OF THE GOVERNMENT (ESPECIALLY THOSE IN THE PRIVATE SECTOR) AS BOTH INDOLENT AND CORRUPT. DESPITE PALLAIS' EFFORT IN HIS STATEMENT TO SHOW THAT INFONAC PROSPERED DURING HIS PRESIDENCY, THE INSTITUTION HAS NOT BEEN VERY ACTIVE IN RECENT YEARS. PALLAIS' RESIGNATION WILL BE RECEIVED WITH DELIGHT BY MOST NICARAGUANS, EVEN SOMOZA SUPPORTERS. WE CANNOT, HOWEVER, JUDGE THE REAL EFFECT OF THIS DEVELOPMENT UNTIL WE KNOW THE NAME OF THE SUCCESSOR.

3. PALLAIS' REFERENCE TO HIS SONS' PARTICIPATION IN THE GUERRILLA MOVEMENT IS IN RESPONSE TO STRONG RUMORS THAT HIS
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YOUNGEST SON MARCEL, UNTIL RECENTLY A STUDENT AT NOTRE DAME,

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TOGETHER WITH THE NEPHEW OF NICARAGUAN U.N. DELEGATE GUILLERMO LANG, TOOK PART IN THE ASSAULT ON A MANAGUA RADIO STATION (MANAGUA 3072) IN ORDER TO BROADCAST FSLN PROPAGANDA.
THEBERGE

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Message Attributes

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TAGS: EFIN, PINT, NU, INFONAC, (PALLAIS DEBAYLE, NOEL)
To: STATE
Type: TE
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